State of South Carolina Statewide Journal Entry Policy

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Purpose

The following Statewide Accounting Policy has been established by the Comptroller General's Office to reduce errors, improve consistency and reporting. This policy addresses the Preparation of Journal Entries, to include Cash Transfers and Loans / Loan Repayments.

It is important to fully document the purpose of each Journal Entry, either on the face of the entry or in attachments. **The Comptroller General's Office will not process Journal Entries having inadequate supporting documentation. If a Journal Entry is selected in an audit, there should be adequate supporting documentation to answer the auditor's question.**

All Journal Entries should originate at the agency. Agencies may not request for transactions or JE's to be created by the Comptroller General's Office / SCEIS team unless there are extenuating circumstances. The agencies must provide the request in writing to the Comptroller General's Office.

Journal Entries are used to correct errors in previously recorded transactions. **Please refer to the Prior Period Adjustment Policy for adjustments that need to be made to a closed period.**

Documentation must include the following:

-- Clearly state the purpose of each entry in Doc. Header Text field or in the attachments, e.g. reclass of Functional Area (FA), correct Fund, correct Grant, etc. If the purpose cannot be clearly communicated in this field, please use either an attachment or a note.

-- Documents included in the correction can be referenced in any of the ways stated below:

- Attach a screen print of the original documents in any form. Where Cost Center (CC), FA, Fund or Grant is the element being corrected, it is sufficient to include the original document. If a G/L account is being corrected, it will also require the original supporting documents (e.g. Invoice). This method can be used when correcting one or multiple entries.

- When a reclass JE is recorded, only essential documentation should be included. In the instance of reclass entries, only the copy of the original document, document number or BW report is needed. The supporting documents attached to the original document should not be rescanned.

- The agencies should set each scanner to eliminate blank pages (single sided). If the scanner is set to double-sided, it should be configured to scan only if data is present. Agencies IT function can work with SCEIS imaging for further support.

- The document number should be included in the Reference field when the correcting entry pertains to only one document. The full document number (e.g., XXXXXXXXXX) must be included. We will not accept a shortened version of the document number (e.g., XX-XXXXX). All entries require data in the Reference field.

- A SCEIS (SAP) report can also be attached in any form if the correction includes several documents. The report should include the G/L account, amount, Fund, CC, FA and Grant information for each line being adjusted, even if only one of those elements is being corrected. It is preferred to have one aggregate correcting entry when there are numerous entries and all the data elements (e.g., G/L accounts, CC, FA, Fund, etc.) are the same. This method should be used when correcting multiple entries.

- Indirect Cost postings require support, such as a spreadsheet, to review calculation.

- Travel adjustments are no longer limited to the ZU Doc Type. Multiple employee numbers can be included on the same entry. If for tracking purposes (e.g. Grant) the expenses need to be tracked by employee, a separate entry will be needed for each employee. If an aggregate adjustment is needed to correct a data element such as CC or FA the agency can choose the dummy employee number 30064344, which would be input into the Text field. Lastly, if travel expenditures are being reclassed to / from a reportable line for tax purposes, this will require a specific employee number to be entered into the Text field, rather than the dummy number.

- Travel adjustments for non-employee travel for reportable expenses using SAP account 5021440000 are no longer limited to ZU Doc Type. The ZVEN (vendor # beginning with “7”) must be included in the Text field.

- All entries recorded in accordance with Provisos must include a copy of the actual proviso and mention the section in the Reference field.

When the CG's staff has requested supporting documentation and the agency personnel does not respond within 3 business days, unless specified otherwise by the CG's staff, the document will be rejected.

PREPARATION OF CASH TRANSFERS

It is important to fully document the purpose of each cash transfer on the face of the entry or in attachments. The Comptroller General's Office will not process these documents having inadequate documentation. Please refer to the Statewide Cash Transfers policy for additional information.

- For the specific document types that may be used for general cash transfers, please reference the Document Type Policy. If the entry is crossing business areas, doc type Z7 must be used.

- The agency must define the purpose of the entry in the Doc. Header Text field. If the purpose cannot be adequately described in this field, the use of a note or other attachment would be adequate. For example "transfer from fund 30350000 to 30370000".

- All entries recorded in accordance with Provisos must include a copy of the actual proviso and mention the code section in the reference field.

- The 62* and 61* transfer accounts must balance and should net to zero.

PREPARATION OF LOAN / LOAN REPAYMENTS

It is important to fully document the purpose of each Loan and Loan Repayment on the face of the entry or in the attachments. The Comptroller General's Office will not process these documents having inadequate documentation.

-- Documentation included in the Loan and Loan Repayments can be referenced in any of the ways stated below:

- These documents MUST use doc type ZL.

- All short term loans using account number 1390010000 / 2090010000 related to the General Fund must be repaid prior to the end of Fiscal Year.

- All loan repayment entries must reference the original document which established the loan in the Reference field.

INVOICES AND PAYMENTS BETWEEN SCEIS LIVE AGENCIES AND SCEIS LUMP SUM AGENCIES (COLLEGES AND UNIVERSITIES)

Colleges and Universities went live with processing transactions in SCEIS on 7/1/14 and the requirements for processing listed below will be implemented.

Colleges and Universities Invoicing State Agencies

- Colleges and universities will invoice State agencies directly from their legacy systems, making no entry in SCEIS.
- State agencies will pay colleges and universities with a direct pay payment using a vendor established as an “Electronic” (direct deposit) vendor.

State Agencies Invoicing Colleges and Universities

- State agencies will invoice colleges and universities in SCEIS using the State’s IDT process.
- Colleges and universities will be **required** to pay State agencies using the State’s IDT system.
    - Using the SCEIS IDT will necessitate the colleges and universities to make an entry to into SCEIS as well as a Journal Entry into their legacy system.

Invoices and Payments Between Colleges and Universities

- Colleges and universities will process invoices to other colleges and universities from their legacy systems and will process payments for those invoices from their legacy systems.